



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

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Bachus Subcommittee to Hear Both Sides of Banking/Real Estate Issue

Financial Institutions and Consumer Credit Subcommittee Chairman Spencer Bachus (AL) will conduct a hearing on Wednesday, May 2, at 9:30 a.m. in room 2128 Rayburn House Office Building on the Federal Reserve Board and the Treasury Department proposal to permit banks to engage in certain real estate activities. More specifically, the pending proposal would allow financial holding companies and financial subsidiaries of national banks to offer real estate brokerage and real estate management services.

The Federal Reserve Board and the Treasury published a notice of proposed rulemaking in January and then extended the public comment period from March 2 to May 1.

Since the Great Depression, U.S. law has strictly separated banking from commercial activities. The Gramm-Leach-Bliley Act allows banks and financial holding companies to enter into new businesses considered financial in nature, incidental or complimentary to traditional financial activities. The law authorized the Federal Reserve Board and the Treasury Department to identify additional businesses permissible for banks or financial holding companies.

Hearing witnesses are:

Panel I

- Laurence J. Meyer, Member, Board of Governors, Federal Reserve System

- Donald J. Hammond, Acting Under Secretary for Domestic Finance, Department of the Treasury

Panel II

- Richard A. Mendenhall, President, National Association of Realtors
- Phillip M. Burns, Chairman and Chief Executive Officer, Farmers & Merchants National Bank of West Point, Nebraska, on behalf of American Bankers Association
- Robert F. Nielsen, President, Shelter Properties, Inc. of Reno, Nevada, on behalf of National Association of Home Builders
- Frank Torres, Legislative Counsel, Consumers Union
- John Roebuck, Chairman of the Board, National Auctioneers Association
- Richard J. Parsons, Executive Vice President, Bank of America, on behalf of Financial Services Roundtable

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